

110TH CONGRESS
1ST SESSION

H. R. 885

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2007

Mr. LANTOS (for himself, Mr. ACKERMAN, and Mr. SHERMAN) introduced the following bill; which was referred to the Committee on Foreign Affairs

A BILL

To support the establishment of an international regime for the assured supply of nuclear fuel for peaceful means and to authorize voluntary contributions to the International Atomic Energy Agency to support the establishment of an international nuclear fuel bank.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “International Nuclear Fuel for Peace and Nonprolifera-
6 tion Act of 2007”.

1 (b) TABLE OF CONTENTS.—The table of contents for
 2 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—INTERNATIONAL REGIME FOR THE ASSURED SUPPLY
 OF NUCLEAR FUEL FOR PEACEFUL MEANS

Sec. 101. Findings.

Sec. 102. Sense of Congress.

Sec. 103. Statement of policy.

Sec. 104. Report.

TITLE II—INTERNATIONAL NUCLEAR FUEL BANK

Sec. 201. Voluntary contributions to the International Atomic Energy Agency.

Sec. 202. Authorization of appropriations.

3 **TITLE I—INTERNATIONAL RE-**
 4 **GIME FOR THE ASSURED SUP-**
 5 **PLY OF NUCLEAR FUEL FOR**
 6 **PEACEFUL MEANS**

7 **SEC. 101. FINDINGS.**

8 Congress makes the following findings:

9 (1) Since the United States Baruch Plan of
 10 1945, the United States has believed that an in-
 11 crease in the number of countries that possess nu-
 12 clear weapons and the means to create such weapons
 13 makes the world less secure and stable by increasing
 14 the chances that nuclear weapons would be used. A
 15 world in which nuclear weapons are used again is
 16 less secure for all concerned, and could well trigger
 17 a global arms race, as more countries will be tempt-
 18 ed to arm themselves with nuclear weapons to pre-

1 vent attacks by countries that possess nuclear weap-
2 ons.

3 (2) It is therefore in the general security inter-
4 est of all countries, and in the vital national security
5 interest of the United States, that the number of
6 countries that possess a nuclear weapons capability
7 necessarily be kept to a minimum and ultimately re-
8 duced.

9 (3) Uranium enrichment and spent-fuel reproc-
10 essing facilities produce nuclear material that can ei-
11 ther be used for peaceful purposes in electricity-gen-
12 erating reactors, or can be used to produce uranium
13 and plutonium for nuclear weapons. As such, these
14 facilities are inherently a proliferation risk, allowing
15 their possessor to be just months away from the pro-
16 duction of a nuclear explosive device.

17 (4) It is also therefore in the general security
18 interest of all countries that the number of countries
19 that operate uranium enrichment and spent-fuel re-
20 processing facilities also be kept to a minimum, con-
21 sistent with the global demand for nuclear power re-
22 actor fuel.

23 (5) The financing and construction of addi-
24 tional uranium enrichment and spent-fuel reprocess-
25 ing facilities around the world is indefensible on eco-

1 nomic grounds alone, given current and future sup-
2 plies of uranium and existing providers of uranium
3 enrichment and spent-fuel reprocessing services to
4 the world market.

5 (6) The desire to construct uranium enrichment
6 and spent-fuel reprocessing facilities by additional
7 countries, therefore, is often based upon consider-
8 ations other than economic calculations. The posses-
9 sion of such facilities is often elevated to a matter
10 of national pride—a demonstration to the world that
11 the country that possesses this technology has ar-
12 rived at a level of technological development com-
13 parable to that of the United States, the Russian
14 Federation, France, the United Kingdom, and the
15 People’s Republic of China.

16 (7) Furthermore, the acquisition of uranium en-
17 richment and spent-fuel reprocessing facilities can be
18 perceived as a demonstration of the developing
19 world’s independence from technological domination
20 by the more developed states. Article IV of the Trea-
21 ty on the Nonproliferation of Nuclear Weapons
22 (NPT) recognizes that State Parties have an “in-
23 alienable right . . . to develop research, production
24 and use of nuclear energy for peaceful purposes
25 without discrimination . . . in conformity” with the

1 NPT's obligation for such countries not to acquire,
2 possess, or develop nuclear weapons or nuclear ex-
3 plosive devices.

4 (8) Many countries have claimed that Article IV
5 of the NPT guarantees the right to develop a com-
6 plete nuclear fuel cycle, including uranium enrich-
7 ment and spent-fuel reprocessing facilities. It is also
8 commonly understood by many countries that this
9 right must never to be compromised nor surren-
10 dered, so long as the countries permitted by the
11 NPT to possess nuclear weapons—the United
12 States, the Russian Federation, France, the United
13 Kingdom, and the People's Republic of China—con-
14 tinue to possess nuclear weapons, uranium enrich-
15 ment and spent-fuel reprocessing facilities, and other
16 related technologies.

17 (9) It has been long recognized that the pro-
18 liferation of national uranium enrichment and spent-
19 fuel reprocessing facilities would increase the likeli-
20 hood of the emergence of new nuclear weapon states.
21 Concerned governments, nongovernmental organiza-
22 tions, and individual experts have for decades recog-
23 nized the need to address this problem through mul-
24 tilateral assurances of the uninterrupted supply of
25 nuclear fuel, the sharing of peaceful application of

1 nuclear energy, an international fuel bank to provide
2 fuel if the fuel supply to a country is disrupted, and
3 even multilateral participation in international ura-
4 nium enrichment and spent-fuel reprocessing facili-
5 ties, as a means of reducing incentives of countries
6 to develop and construct such facilities themselves.

7 (10) Until recently, such efforts have produced
8 little more than reports. However, the revelations of
9 a nuclear black-market in uranium enrichment tech-
10 nology and equipment, combined with the attempt
11 by North Korea and Iran to possess such technology
12 and equipment to provide the basis for nuclear
13 weapons programs, have rekindled this debate with
14 a new urgency.

15 (11) Iran has used the specter of a potentially
16 unreliable international supply of nuclear reactor
17 fuel as a pretext for developing its own uranium en-
18 richment and spent-fuel reprocessing capability,
19 which would enable Iran to also produce weapons-
20 grade uranium and plutonium for nuclear weapons.

21 (12) Several initiatives have been proposed over
22 the last year to address these concerns. The United
23 States has proposed the Global Nuclear Energy
24 Partnership (GNEP), which envisions a consortium
25 of countries with advanced nuclear capabilities pro-

1 viding nuclear fuel services—fresh fuel and recovery
2 of used fuel—to other countries that agree to em-
3 ploy nuclear energy only for power generation pur-
4 poses, without possessing national uranium enrich-
5 ment and spent-fuel reprocessing facilities.

6 (13) The United States also joined France, the
7 Russian Federation, Germany, the United Kingdom,
8 and the Netherlands on May 31, 2006, in proposing
9 a “Concept for a Multilateral Mechanism for Reli-
10 able Access to Nuclear Fuel” that would create
11 agreements between nuclear fuel suppliers to provide
12 fuel to countries with good nonproliferation creden-
13 tials in case of market failure.

14 (14) The Russian Federation has proposed that
15 one of its uranium enrichment facilities be placed
16 under international management and oversight, as
17 part of a “Global Nuclear Power Infrastructure”
18 proposal to create international nuclear fuel cycle
19 centers.

20 (15) In conclusion, the creation of a multi-
21 tiered system to assure the supply of nuclear reactor
22 fuel, under appropriate safeguards and conditions,
23 could reassure countries that are dependent upon or
24 will construct nuclear power reactors that they will
25 have an assured supply of nuclear fuel, so long as

1 such countries forgo national uranium enrichment
2 and spent-fuel reprocessing facilities and are com-
3 mitted to the nonproliferation of nuclear weapons.

4 **SEC. 102. SENSE OF CONGRESS.**

5 It is the sense of Congress that—

6 (1) the “Concept for a Multilateral Mechanism
7 for Reliable Access to Nuclear Fuel”, proposed by
8 the United States, France, the Russian Federation,
9 Germany, the United Kingdom, and the Netherlands
10 on May 31, 2006, is welcomed and should be ex-
11 panded upon at the earliest possible opportunity;

12 (2) the proposal by the Government of the Rus-
13 sian Federation to bring one of its uranium enrich-
14 ment facilities under international management and
15 oversight is also a welcome development and should
16 be encouraged by the United States;

17 (3) the offer by the Nuclear Threat Institute
18 (NTI) of \$50,000,000 in funds to support the cre-
19 ation of an international nuclear fuel bank by the
20 International Atomic Energy Agency (IAEA) is also
21 welcomed, and the United States and other member
22 states of the IAEA should pledge collectively at least
23 an additional \$100,000,000 in matching funds to
24 fulfill the NTI proposal; and

1 (4) the governments, organizations, and experts
2 currently engaged in developing the initiatives de-
3 scribed in paragraphs (1) through (3) and other ini-
4 tiatives should also identify additional incentives to
5 be included in an international regime for the as-
6 sured supply of nuclear fuel for peaceful means, in-
7 cluding participation in non-weapons-relevant tech-
8 nology development, fuel financing, and other finan-
9 cial incentives to further persuade countries that
10 participation in such a multilateral arrangement far
11 outweighs the temptation and expense of developing
12 national uranium enrichment and plutonium repro-
13 cessing facilities.

14 **SEC. 103. STATEMENT OF POLICY.**

15 It is the policy of the United States to support the
16 establishment of an international regime for the assured
17 supply of nuclear fuel for peaceful means under multilat-
18 eral authority, such as the International Atomic Energy
19 Agency.

20 **SEC. 104. REPORT.**

21 Not later than 180 days after the date of the enact-
22 ment of this Act, the President shall transmit to the Com-
23 mittee on Foreign Affairs of the House of Representatives
24 and the Committee on Foreign Relations of the Senate
25 a report on the activities of the United States to support

1 the establishment of an international regime for the as-
2 sured supply of nuclear fuel for peaceful means under mul-
3 tilateral authority, such as the International Atomic En-
4 ergy Agency. The report shall include an assessment of
5 the feasibility of establishing an international uranium en-
6 richment facility within the United States.

7 **TITLE II—INTERNATIONAL** 8 **NUCLEAR FUEL BANK**

9 **SEC. 201. VOLUNTARY CONTRIBUTIONS TO THE INTER-** 10 **NATIONAL ATOMIC ENERGY AGENCY.**

11 (a) VOLUNTARY CONTRIBUTIONS AUTHORIZED.—
12 The President is authorized to make voluntary contribu-
13 tions on a grant basis to the International Atomic Energy
14 Agency (hereinafter in this section referred to as the
15 “IAEA”) for the purpose of supporting the establishment
16 of an international nuclear fuel bank to maintain a reserve
17 of low-enriched uranium for reactor fuel to provide to eligi-
18 ble countries in the case of a disruption in the supply of
19 reactor fuel by normal market mechanisms.

20 (b) REQUIREMENTS.—Voluntary contributions under
21 subsection (a) may be provided only if the President cer-
22 tifies to the Committee on Foreign Affairs of the House
23 of Representatives and the Committee on Foreign Rela-
24 tions of the Senate that—

1 (1) the IAEA has received pledges in a total
2 amount of not less than \$100,000,000 for the pur-
3 pose of supporting the establishment of the inter-
4 national nuclear fuel bank referred to in subsection
5 (a);

6 (2) the international nuclear fuel bank referred
7 to in subsection (a) will be established within the
8 territory of a non-nuclear weapon state and will be
9 under the oversight of the IAEA; and

10 (3) the international nuclear fuel bank referred
11 to in subsection (a) will provide nuclear reactor fuel
12 to a country only if—

13 (A) at the time of the request for nuclear
14 reactor fuel, the country is in full compliance
15 with its IAEA safeguards agreement and has
16 an additional protocol for safeguards in force;

17 (B) in the case of a country that at any
18 time prior to the request for nuclear reactor
19 fuel has been determined to be in noncompli-
20 ance with its IAEA safeguards agreement, the
21 IAEA Board of Governors determines that the
22 country has taken all necessary actions to sat-
23 isfy any concerns of the IAEA Director General
24 regarding the activities that led to the prior de-
25 termination of noncompliance;

1 (C) the country agrees to use the nuclear
2 reactor fuel in accordance with its IAEA safe-
3 guards agreement; and

4 (D) the country does not operate uranium
5 enrichment or spent-fuel reprocessing facilities
6 of any scale.

7 **SEC. 202. AUTHORIZATION OF APPROPRIATIONS.**

8 (a) IN GENERAL.—To carry out section 201, there
9 is authorized to be appropriated to the President
10 \$50,000,000 for fiscal year 2008.

11 (b) AVAILABILITY OF APPROPRIATIONS.—Amounts
12 appropriated pursuant to the authorization of appropria-
13 tions under subsection (a) are authorized to remain avail-
14 able until September 30, 2010.

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